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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

50X1

COUNTRY East Germany

DATE DISTR. 16 September 1955

SUBJECT VEB Werk fuer Fernmeldewesen WF Production
50X1 of Consumer Goods

NO. OF PAGES 5

NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

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Enclosure attached please route

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1. In February 1955, works manager Mueller of the Werk fuer Fernmeldewesen (telecommunication engineering plant)(WF) stated that the production of 2 consumer goods was to be given priority at the enterprise. The manufacture of all consumer goods was to take place at the Appliances Plant (Geratetewer of the WF. Floor space amounting to 320 sq.m. had been made available. If additional production facilities were needed, individual sections of the Tube Plant would also be used. A total of 190 production workers and 23 engineers and office personnel were to be assigned to the production of consumer goods. A special agency charged with preparing the designs for the items of equipment to be produced was established at the WF. All consumer goods in the field of high-frequency engineering developed at the radio engineering plants at Koepenick, Dresden and Leipzig, and the Geratetewerk (Equipment Plant) at Thalheim must be released for production by this agency which is headed by Hubl (fnu). The manufacture of a testing generator for VHF and television operations, a wobbler, a tube voltmeter, and a portable television tool kit and tube tester (Fernsehkundendienstke was to be in full swing in the second half of 1955. 1

On 10 March 1955,

2. Schmidt, the technical manager of the Main Administration for the Radio and Telecommunication Engineering Industry (HV-RPT) informed the representatives of all GDR radio engineering plants that the Main Administration could not make available materials required for the production of mass consumer goods, and the individual radio engineering plants should therefore help each other out with surplus material.
3. In early April 1955, it was announced at a meeting of directors of the WF that a project for the enlargement of the television network envisaging an outlay of 100 million DME would shortly be approved by the GDR Council of Ministers.
4. In early March 1955, arrears of 3,500 12" television tubes had accumulated in the production program of the firm. In 1956, the production of television tubes was to be placed on an automatic basis. The blueprints for the production facilities required had been completed and were submitted for approval to the Ministry of Machine Construction in February 1955. A new workshop for the manufacture of television tubes

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was scheduled to be erected on the premises of the enterprise.

17" and 21" television tubes were to be manufactured at the new workshop, while the 9" tubes were to be produced on the fifth floor of the Tube Plant as before. Wetzel, chief of the Tube Plant, was in Prague for 11 days in March 1955 in order to negotiate there concerning the delivery of bulbs for 17" television tubes. From 2,000 to 5,000 17" television tube bulbs are to be procured in West Germany.

5. The type ECC 82 tube was required for the portable television tool kit and tube tester (Fernsehkundendienstkoffer). Since the Erfurt radio engineering plant was unable to deliver this type of tube before November 1955, works manager Mueller ordered that the tube be developed at the WF and subsequently manufactured there.
6. On 16 March 1955, Heinrich Rau, Minister of Machine Construction, conferred at the WF with Director Mueller and the chief of the SED factory group. It was believed that the marketing situation of the firm was discussed. The sales situation had become critical, because the USSR had not placed any new orders and the volume of domestic orders was rather small. The Geraetewerk on Neue Bahnhof Strasse, which had a work force of 1,200, was not going to produce to capacity in the fourth quarter of 1955. Rau promised that he would visit the WF again on 23 or 24 March.
7. At the Leipzig Spring Fair, the WF concluded a contract with Red China for the delivery of tubes of the 6-series valued at 40,000 rubles.
8. At the Leipzig Spring Fair, West German procurement agents wanted to place an order with the WF for the delivery of 500 sets of four tubes each if deliveries of these West German type tubes could begin in June 1955. No agreement was concluded because the WF was unable to **guarantee** delivery of the tubes on time.
9. Some types of decimeter tubes were going to be delivered to the German postal administration.
10. In March 1955, of all the equipment sold, about 60 percent were rejected because of electrical or mechanical shortcomings. This situation was attributed to sabotage, and a joint SED-SSD commission inspected the Geraetewerk. The findings of the commission were that the damages had been caused either at the final acceptance or the packing process.
11. The mica used at the enterprise for the fastening and insulating of tubes was delivered from China. The punched sections were furnished by the Keramische Werke at Hermsdorf. There were no indications of an intended replacement of mica by ceramics. Ceramic parts were only used instead of mica units if the latter were not available. No information was available on a shortage of mica.
12. In late March 1955, Sanchurski (phonetic spelling), the Soviet acceptance official at the WF was recalled.
13. In the first quarter of 1955, the wage budget of the WF was overdrawn by 45,000 DM. In view of this fact and because the ratio between production workers and employees was 21:5, about 400 employees were to be discharged in March. Notice of cancellation was given to a series of individual work contracts. Main accountant Lehmann was sent on leave, allegedly because of poor health, his deputy was discharged because he lived in West Berlin, and accountant Zaber fled to West Germany.
1. Comment. For copy of tabulation of equipment scheduled to be manufactured at the WF plant, see Annex 1.

For typewritten copy of the calculation sheet for the portable television tools kit and tube tester, see Annex 2.

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Available at the CIA Library is a photographic copy of the protocol of conferences held at the VEB Werk fuer Fernmeldewesen WF on the production of consumer goods.

Attachment available from CIA Library (1 set of documents in German, 12 pages.)

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Annex 1 to

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Plan for the Manufacture of Consumer Goods at the WF

Status of April 1955

No	Item	Factory Sales Price per Unit	Number of Units Ordered	Quantity to be Produced			
				July - December 1955		January - April 1956	
				Units	DME	Units	DME
1	VHF antenna	9.85	6,000	6,000	59,100	-	-
2	DIA frame 5 x 5	0.25	160,000	160,000	40,000	-	-
3	FS-41 television tool kit and tube tester	1,200	325	325	390,000	-	-
4	Tube voltmeter	650	2,000	1,000	650,000	1,000	650,000
5	Key button for high tension	50	2,000	1,000	50,000	1,000	50,000
6	Key button for alternating voltage	50	500	500	25,000	-	-
7	Key button for direct voltage	50	500	500	25,000	-	-
8	VHF testing generator 250 Mc	1,000	1,000	600	600,000	400	400,000
9	Balancing units	120	1,000	600	72,000	400	48,000
10	Wobblers for testing positions	900	600	400	360,000	200	180,000
11	Measuring equipment (Messbecher Wobbler)	60	600	400	24,000	200	12,000
Total				2,295,100		1,340,000	

Note: The mass production of all the equipment mentioned was to begin in July 1955.

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Annex 2

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Calculation of the Price for the Fernsehlaundendienstkoffer
(Portable television tool kit and tube tester)

Cost per 100 units:

Production cost	69,941.78
Cost of tools	10,615
Cost of testing equipment	2,120
Cost of sales organization 1.71 %	1,196
Commercial costs 0.65 %	454.62
	<hr/>
Profit 6%	84,327.40
	5,059.64
	<hr/>
<u>Produktionsabgabe</u> 6.85%	89,387.04
	6,123.01
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Cost of 11 tubes	95,510.05
	14,330
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	109,840.05
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8-11/744.7	4M/C
753.614	4M/C
8-11/744.711	4M/C
11-12/744.711	4M/C
6-12/744.711	4M/C(ZM)(Q1)
10-12/744.711	27M(JM)
6-12/744.711	4M/C(CL)
10-12/744.711	1L/C(JM)
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